

Individual Tax Return 2005

OR
FISCAL PERIOD _____ TO _____

Calendar Year Taxpayers file on or before April 17, 2006
Fiscal Year Due on 15th Day of 4th Month After Year End

City of Cincinnati

Income Tax Division
805 Central Avenue, Suite 600
Cincinnati OH 45202-5756
Phone: (513) 352-2546
Fax: (513) 352-2542
Website: www.cincinnati-oh.gov/citytax

THIS SPACE IS FOR OFFICIAL USE ONLY

Account Number _____	SSN _____ - _____ - _____	Spouse's Name _____
Name _____		Spouse's SSN _____ - _____ - _____
Address _____		Part Year Resident From _____ to _____
City/State/Zip _____	Phone No. _____	Please check this box if your account should be inactivated. <input type="checkbox"/>
IF INFORMATION ABOVE IS INCORRECT, PLEASE MAKE CORRECTIONS		Reason: _____

Part A	Tax Calculation	
1.	Total Qualifying Wages (Attach W-2 Forms) For multiple W-2s complete Worksheet A on page 2.....	\$ _____
2.	Less Employee Deductions (Attach Form 2106).....	\$ _____
3.	Taxable Wages Before Adjustment. (Line 1 minus Line 2)	\$ _____
4.	Less Nontaxable Income (part year or non-residents only) (provide calculations).....	\$ _____
5.	Taxable Qualified Wages (Line 3 minus Line 4).....	\$ _____
6.	Other Income or (Loss) From Federal Schedules C, E, F, K-1, 1099-MISC (See Worksheet B Line 6) (Attach copies of all Federal Schedules).....	\$ _____
7.	Cincinnati Taxable Income (Line 5 plus Line 6) Losses on Line 6 do not offset W-2 Income from Line 5	\$ _____
8.	Cincinnati Income Tax (Multiply Line 7 by 2.1% [.021]).....	\$ _____
9 a.	Cincinnati Tax Withheld (per W-2s).....	\$ _____
9 b.	Estimates Paid (including credit from previous year).....	\$ _____
9 c.	Other Local Taxes Paid (Submit W-2s or Other City returns).....	\$ _____
10.	Total Payments and Credits (Lines 9a + 9b + 9c).....	\$ _____
11.	Tax Due (Subtract Line 10 from Line 8).....	\$ _____
12.	Overpayment (Line 10 greater than Line 8).....	\$ _____
13.	Amount to be Refunded (Amounts less than \$5.00 will not be refunded)...	\$ _____
14.	Credit to Next Year.....	\$ _____

Part B	Declaration of Estimated Tax for 2006	
15.	Total estimated income subject to tax.....	\$ _____
16.	Cincinnati Income Tax Declared (Multiply Line 15 by 2.1% [.021]).....	\$ _____
17.	Estimated Taxes Withheld from Wages.....	\$ _____
18.	Tax due after Withholding (Line 16 less Line 17) STOP if this amount is less than zero.....	\$ _____
19.	Declaration Due (25% of Line 18)	\$ _____
20.	Less credits (from Line 14 above).....	\$ _____
21.	Net estimated tax due if Line 19 minus Line 20 is greater than zero*.....	\$ _____
22.	TOTAL AMOUNT DUE —Combine Line 11 above with Line 21 (Make checks payable to the City of Cincinnati)	\$ _____

**Subsequent estimated payments are due by the 31st of July, October and January.*

The undersigned declares that this return (and accompanying schedules) is a true, correct and complete return for the taxable period stated and that the figures used herein are the same as used for Federal Income Tax purposes.

_____ SIGNATURE OF PERSON PREPARING IF OTHER THAN TAXPAYER	_____ DATE	_____ SIGNATURE OF TAXPAYER	_____ DATE
_____ NAME AND ADDRESS OF PREPARER	_____ PHONE NUMBER	_____ SIGNATURE OF SPOUSE	_____ DATE

☐ Check here if we may contact the above preparer with questions regarding the preparation of this return.

WORKSHEET A - SALARIES, WAGES, TIPS, AND OTHER COMPENSATION

(To be completed by taxpayers who receive W-2 income from more than one source.)

****Attach copies of all W-2s used to compute your local income.****

Employer	City Where Employed	Qualifying Wages	Cincinnati Tax Withheld	Other City Tax Withheld
Totals (Enter Total Qualifying Wages on Line 1, Page 1)				

WORKSHEET B - BUSINESS INCOME or LOSS

****Attach copies of all Federal Forms and Schedules used to compute your local income. ****

	Schedules	Column A Income / (Loss) from Federal Schedules	Column B Cincinnati Percentage	Cincinnati Taxable Income (Column A x Column B)
1.	Schedule C - Business Income (A separate allocation schedule is required for each Schedule C).	\$	(From Step 5 of Schedule Y) %	\$
2.	Schedule E - Rental Income (Residents enter profit/loss from all properties. Nonresidents enter only profit/loss from Cincinnati properties)	\$	100 %	\$
3.	Schedule K-1 - Partnership Income (Residents enter profit/loss from entities that do not withhold Cincinnati tax on entire distributive share)	\$	100 %	\$
4.	Miscellaneous Income – 1099-MISC, W-2G, Schedule F, etc.	\$	(From Step 5 of Schedule Y) %	\$
5.	Net Operating Loss Carryforward (Attach worksheet and enter as a (loss))			\$
6.	Total Income (Loss) (Combine Lines 1 through 5 and enter this amount on Page 1, Line 6)			\$

SCHEDULE Y - BUSINESS APPORTIONMENT FORMULA

(To be completed by all nonresidents who earn a portion of their net profits in Cincinnati.)

	a. Located Everywhere	b. Located in Cincinnati	c. Percentage (b / a)
STEP 1. Average Original Cost of Real and Tangible Personal Property.			
Gross Annual Rent Paid Multiplied by 8.....			
TOTAL STEP 1.....			%
STEP 2. Wages, Salaries, and Other Compensation Paid.....			%
STEP 3. Gross Receipts from Sales Made and/or Work or Services Performed.....			%
STEP 4. Total Percentages. (Add Percentages from Steps 1-3).....			%
STEP 5. Apportionment Percentage (Divide Total Percentage by Number of Percentages Used).....			%

CITY OF CINCINNATI 2005
INDIVIDUAL INCOME TAX RETURN INSTRUCTIONS

Office Phone: (513) 352-2546 Website: www.cincinnati-oh.gov/citytax

Mail to: 805 Central Ave Suite 600, Cincinnati OH 45202-5756

Returns must be filed by everyone required to submit a Declaration of Estimated Tax, even though Declaration was accurate and paid in full.

This form is to be used by individuals who receive income reported on federal forms W-2 or 1099-MISC or schedules C, E, F or K-1. Please send us a copy of all federal forms used to compute your local tax and an itinerary of days worked outside Cincinnati, listing dates and location if applicable. Individuals who file as Sole Proprietors or Single Member LLCs should also use this form.

General Information:

“Qualifying wages” generally include amounts reported in the Medicare wage base (The amount in Box 5 on the W-2.) plus supplemental unemployment compensation benefits described in Section 3402(o)(2) of the Internal Revenue Code and compensation of pre-1986 employees exempt from Medicare that is not in the Medicare wage base solely because of the Medicare grandfathering provision.

The due date for filing Net Profit returns is April 17th, 2006 or the 15th day of the fourth month following the fiscal year end.

Part A - Tax Calculation

LINE 1: Enter the total qualifying wages. If stock options are included on your W-2 in Box 5, deduct the amount paid in stock option compensation to determine qualifying wages. Provide documentation of the stock options exercised. Attach copies of the federal forms and schedules showing all reportable income with the return. For multiple W-2s complete Worksheet A on page 2.

LINE 2: Enter the amount of unreimbursed employee business expenses. You must include a copy of Federal Form 2106 or 2106EZ to support the deduction.

LINE 3: Line 1 minus Line 2.

LINE 4: Part year or nonresidents only: Deduct the amount of gross wages included on Part A, Line 1 that were earned outside of Cincinnati during the period when you were not a resident. If accurate records are not available, you may prorate your taxable income by dividing the number of days lived in Cincinnati by the total days in the year. *Include a schedule of calculations and an itinerary of days worked outside Cincinnati, listing the dates and the location of the work site.*

LINE 5: Line 3 minus Line 4.

LINE 6: Complete Worksheet B Business Income or Loss.

Schedule C- Business Income: Residents are subject to Cincinnati tax on all business income no matter where earned. Nonresidents of Cincinnati must multiply the net profit or loss from each Schedule C using the apportionment percentage derived on Schedule Y to determine the Cincinnati Taxable Income (Loss). Combine the profits and losses from all businesses reported on Schedule C.

Schedule E-Rental Income: Cincinnati residents report all profits or losses from rental property no matter where property is located. Nonresidents of Cincinnati report profits or losses only from properties located within Cincinnati. Total monthly rents collected must exceed \$500 per month to be reportable to Cincinnati.

Flow-through Profits or Losses: The tax is levied on the partners, members or other owners of a flow-through entity excluding S-Corporations. Businesses operating in Cincinnati are required to report the portion of net profit earned in Cincinnati and to remit the tax on behalf of all their partners. Residents of Cincinnati are to report their distributive shares of income or loss that was not withheld on by the business. The resident taxpayer may claim a credit for taxes paid to other localities by the business.

Other Income: Please provide documentation such as copies of federal schedules or Forms 1099-MISC not already reported on Schedule C. Also taxable are all prizes, awards and income derived from gaming, wagering, lotteries or schemes of chance by residents, regardless of where derived or by nonresidents from sources in the municipality and as reported on IRS Form W-2G, IRS Form 5754 or any other form required by the Internal Revenue Service to report such prizes, awards and income. (1099s reporting interest, dividends & retirement income are NOT taxable.)

NOL Carryforward: Enter the amount of net operating losses apportioned to Cincinnati. Operating losses may be carried forward for a maximum period of five tax years. *An explanatory schedule is **required** to support the carry-forward operating losses claimed on the return.*

Total Income (Loss): Add all the profits and deduct the losses in the Cincinnati Taxable Income column. Enter on Part A, Line 6.

Cincinnati taxable income is determined by multiplying the Cincinnati percentage indicated by the net profits from Schedules C, E, F, K-1 or 1099. The Schedule Y- Business Apportionment Formula (CMC 311-7) on page 2 is completed by nonresidents who earn a portion of their net profits in Cincinnati. (Refer to Regulation R-7 for complete details.)

LINE 7: Line 5 plus Line 6. (Losses may not be used to offset W-2 income from Line 5).

LINE 8: Multiply Line 7 by 2.1% (.021)

LINE 9a: Enter the amount of Cincinnati Tax withheld by employers

LINE 9b: Enter the amount of estimated tax payments including any amounts paid with an extension. Estimated payments may be subject to the underpayment of estimated tax penalty. The total of the quarterly estimates should equal 100% of the prior year's tax or 90% of the current year's tax.

LINE 9c: Enter the amount of taxes withheld for or paid to another city. Residents of the City of Cincinnati may claim taxes paid to another city up to 2.1% of the Qualifying Wages reported on the W-2. Credit is limited to the local tax rate used (2.1% or less) multiplied by the Qualifying Wages, and is further restricted if the municipality has a wage cap. Part-year residents may claim taxes paid to other cities for the part of the year they were a resident. Nonresidents may not claim taxes paid to another municipality. (Provide documentation in the form of W-2s or tax returns submitted to other municipalities). Partners claiming credit for taxes withheld by a partnership must provide documentation to support this credit.

LINE 10: Add Lines 9a, 9b and 9c.

LINE 11: If Line 8 is greater than Line 10, enter the tax due. Payment is not required if the amount is less than \$5.

LINE 12: If Line 10 is greater than Line 8, enter the overpayment.

LINE 13: Enter the amount from Line 12 to be refunded. Amounts less than \$5 will not be refunded.

LINE 14: Enter the amount from Line 12 to be credited to the tax year 2006 estimated tax liability.

Part B - Declaration of Estimated Tax for 2006

LINE 15: Enter the amount of estimated income for 2006. *The taxpayer shall base the estimated tax on the preceding full year's tax liability, or on the preceding three-month period, annualized for the remainder of the year, and updating this estimate by amendment as necessary each succeeding three-month period so that at least 90 percent of the annual Cincinnati tax liability to be ultimately determined shall have been paid by estimate within one month following the close of each such period so applicable.*

LINE 16: Enter the total estimated tax due for 2006.

LINE 17: Enter the estimated amount of Cincinnati and other allowable municipal taxes to be withheld from wages.

LINE 18: Line 16 less Line 17

LINE 19: Divide Line 18 by 4 to determine the amount of estimated tax to be paid for the first quarter.

LINE 20: Enter the amount of credits from Line 14.

LINE 21: Enter and remit the net estimated tax due if Line 19 minus Line 20 is greater than zero. **This is the first of four quarterly estimated tax payments. The second payment is due on July 31, 2006 and is equal to the total estimated tax on line 18 divided by 4 less any overpayment still available from prior years. Third payment is due October 31, 2006 and the final estimated payment is due January 31, 2007. Failure to remit timely estimated payments may result in the assessment of interest and penalties.**

LINE 22: Total amount due with return - Combine Line 11 and Line 21

Make Checks Payable to: **City of Cincinnati**

Mail to: **805 Central Ave Suite 600, Cincinnati OH 45202-5756**

Due Date for 2005 Returns: **April 17, 2006**